



JUNE 2019
GL

PAPER 2
MEMORANDUM

SECTION A

QUESTION 1

1.1.1. D ✓✓
1.1.2. A ✓✓
1.1.3. D ✓✓
1.1.4. D ✓✓
1.1.5. B ✓✓

1.2.1. E ✓✓
1.2.2. C ✓✓
1.2.3. A ✓✓
1.2.4. F ✓✓
1.2.5. H ✓✓

1.3.1. Professionalism ✓✓
1.3.2. Venture capital ✓✓
1.3.3. Force-field analysis ✓✓
1.3.4. mission ✓✓
1.3.5. Grants ✓✓

[30]

SECTION B

QUESTION 2

2.1 When 1 person or business gives another person or business the right ✓ to sell goods or services under certain criteria or regulations ✓ (2)

2.2 Contractual Implications of a Franchise

- policies that govern the product or service ✓✓
- training of staff members ✓✓
- royalties ✓✓
- termination clause ✓✓
- form of ownership ✓✓
- details of the operation ✓✓ (3x2) (6)

2.3 When a person buys a franchise becomes known as Franchisee. ✓✓
The person who owns the overall business is known as the Franchisor. ✓✓ (4)

2.4 Advantage of Franchising

- financial support ✓✓
- based on a proven idea ✓✓
- reduced long term financial risk ✓✓

- recognised brand✓✓
 - systems well established✓✓
 - support✓✓
 - bulk discounts✓✓
 - shared marketing costs✓✓
 - management advice ✓✓
- (5x2) (10)**

2.5 Disadvantages of Franchising

- initial cost high✓ ✓
 - restrictions in agreement terms✓✓
 - affected by profitability✓✓
 - creativity is limited✓✓
 - brand could get a bad reputation✓✓
 - large portion of profit paid to royalties difficult to sell ✓✓
- (4x2) (8)**

2.6 Sources of Loans

- Bank Loans✓ = long term financing. Has an interest rate attached. Paid back in instalments. ✓
 - Overdraft ✓= short term financing. Overdraft on bank account paid back over a set period of time. ✓
 - Angel funding✓ = wealthy entrepreneurs who offer financing in exchange for a share in the business. ✓
 - Venture capital✓ = financing given in exchange for a share in the business at its start up. ✓
- (8)**

2.7 Debt and Grants

- Debt is money borrowed from somewhere and have to pay it back. ✓
 - Grants are mad available to small businesses from the government✓.
- (2)**

[40]

QUESTION 3

3.1.1 Code of Conduct √√

3.1.2 Code of Conduct √√

3.1.3 Code of Ethics √√

3.1.4 Code of Ethics √√

3.1.5 Code of Conduct √√

(5x2) **(10)**

3.2.1 A respectable and loyal worker for many years did not follow the code of conduct in an important board meeting and displayed a sense of discrimination. √√

(Shows understanding that employee is dealt with based on their previous good nature, and not just on the incident that took place)

3.2.2 The business is trying to improve their BEE certificate by hiring more people that fall under the BEE criteria. √√

(Shows understanding that the business makes the decision bases on what is right for the majority of the people)

3.2.3 The business ensures that the workers are in a safe, secure working environment. √√

(shows understanding of focusing on people's rights)

Any other relevant answer

NOTE: Marks awarded for scenario, NOT for definition

(6)

3.3 Identify problem √

Define problem √

Formulate problem√

Implement strategy √

Allocate resources √

Monitor strategy √

Evaluate process √

(7)

3.4 local knowledge √ passed down √ from generation to generation √

(3)

3.5 Professionalism and Ethics

Professionalism	Ethics
Knowledge and skills of the profession and using them for the good of the client and society √√	The standard of conduct that are acceptable to society √√
Applying a code of conduct set by a business or profession √√	Forms part of a code of conduct √√
Focusses on upholding the reputation of the profession/business √√	Focusses on developing a moral compass that can be used in decision making √√

(4x2) (8)

3.6 Principles of ethics

- Social responsibility √√
- Confidentiality √√
- Avoiding conflict of interest √√
- Looking after the environment √√
- Abiding by international law √√
- Due care √√
- Being objective and impartial √√
- Separating the audit function and the consulting function √√
- Any other relevant principle. √√

(3x2) (6)

[40]

QUESTION 4

4.1 Manage Stress

- 8 hours of sleep ✓
- Set daily routine
- Exercise ✓
- Eat small, healthy meals ✓
- Plan ahead ✓
- Visualise yourself relaxing ✓
- Do not procrastinate ✓
- Treat yourself kindly ✓
- Spend time with family and friends ✓
- Accept that change happens ✓
- Arrive early so you do not rush ✓
- Breathe deeply ✓

Any other relevant answer

(6)

4.2 No. The inability to control stress leads to heart failure, illnesses ✓ but stress can give you more ✓ energy and strength and allow you to work efficiently ✓ for a certain period of time.

Any other relevant answer

(3)

- 4.3. Personal differences ✓✓
Poor Communication ✓✓
Competition ✓✓
Not following rules or procedures ✓✓
Poor organization ✓✓
Workload and stress ✓✓

(6)

4.4. Crisis Management Plan

- Define the possible crisis ✓✓
- Investigate all possible effects ✓✓
- Organise a team to design workable detailed plan ✓✓
- Clearly communicate plan ✓✓
- Test and practice plan ✓✓

(5x2) (10)

4.5 Deal with crises

- Deal with tight deadlines ✓
- Prioritise ✓
- Break it down ✓
- Negotiate ✓
- Make time to relax ✓

(4 x 1) **(4)**

- 4.6
1. An initial questionnaire is developed and distributed to a carefully selected, expert panel. ✓
 2. The panellists answer their questionnaire independently and return it. ✓
 3. A moderator summarises the responses to the questionnaire and then develops a feedback report ✓ and a second questionnaire for the panellists to complete. ✓
 4. The panellists read the feedback report, ✓ evaluate the responses and then complete the second questionnaire. ✓
 5. The moderator develops a final summary and feedback report for management. ✓

- **(7)**

4.7 Perseverance

Knows strengths and weaknesses

Rebellious

Intelligent

Takes calculated risks

Common sense

Good work ethic

Independent

Committed

Consider any other relevant answer

(4)

[40]

SECTION C

QUESTION 5

5.1 Introduction

- Business managers need to present information about their business to stakeholders. ✓
- Visual aids combine pictures and sound that will enhance the quality of the presentation. ✓
- Visual aids can help to convey a large amount of facts in a short time. ✓
- Choosing the most effective visual aids should capture the attention of the directors and support the logical flow of the presentation. ✓
- The purpose of a verbal presentation is to exchange information as it involves speaking and listening for both the presenter and the audience/ prospective buyer. ✓
- When responding to questions/remarks, the presenter should not be aggressive/defensive. ✓
- Any other relevant introduction related to presentations.

(2 x 1) (2)

5.2 Types of visual aids

- Data projector/PowerPoint ✓✓
- Overhead projector ✓✓
- Interactive whiteboards/Smartboards ✓✓
- Hand-outs/flyers/brochures ✓✓
- Posters/signs/banners/portable advertising stands/flags ✓✓
- Flip charts/white boards ✓✓
- Tables/graphs/diagrams ✓✓
- Any other relevant answer related to types of visual aids

NOTE: Mark the first FOUR (4) only.

(4 x 2) (8)

5.3 Factors to consider when composing a flyer

- Write a title ✓ that will attract the reader's attention. ✓
- Use graphics ✓ to attract attention. ✓
- Focus on the benefits ✓ of the products or services ✓
- Identify points ✓ clearly. ✓
- Keep it simple ✓ with white space. ✓
- Use text boxes ✓ if space allows. ✓
- Do not use ✓ too many words. ✓
- Let someone ✓ proofread the contents. ✓
- Use bright paper and black text ✓ if budget does not allow for colour printing. ✓
- Offer discount ✓ on the product or service. ✓
- Any other relevant answer related to factors to consider when composing a flyer.

Max. (14)

5.4 Steps in report writing

- Analyse the problem, ✓ prepare a written problem statement to clarify the task. ✓
- Anticipate the audience and issues, ✓ it could be distributed to people whom it was not intended for. ✓
- Prepare a work plan, ✓ start early and allow time for brainstorming and preliminary research. ✓
- Do research in order to gather data ✓ do not depend on the internet only. ✓
- Organise, analyse, interpret and illustrate the data, ✓ consider the purpose ✓
- Put together the first draft of the report, ✓ print the first draft and read sometime later. ✓
- Revise, proofread and evaluate, ✓ ask a colleague to read the report. ✓
- Any other relevant answer related to the steps in report-writing.

NOTE: Accept in any order.

Max. (12)

5.5 Ways to respond to feedback in a professional manner

- Mr Luke must stand up throughout the feedback session. ✓✓
- Be polite, confident and courteous/humorous when answering questions ✓✓
- Listen and then respond. ✓✓
- Make sure that you understand the question/s before responding. ✓✓
- Acknowledge good questions. ✓✓
- Rephrase questions if uncertain. ✓✓
- Do not get involved in a debate. ✓✓
- Do not avoid the question; if you do not know the answer, refer the question to the audience or the employees ✓✓ /Rectify if incorrect answers are given. ✓✓
- Address the whole audience and not only the person asking the question ✓✓
- Provide feedback as soon as possible after the observed event. ✓✓
- Be direct, honest, sincere. ✓✓
- Use simple language and support what you say with an example/ keep the answer short and to the point. ✓✓
- Presenter must encourage questions from the audience. ✓✓
- Do not allow any one member of the audience to dominate the discussion. ✓✓
- Note/write down the questions asked to be able to respond correctly. ✓✓
- Mr Luke should address questions in an orderly manner. ✓✓
- Any other relevant answer related to how Mr Luke may respond to feedback in a professional manner.

Max. (12)

5.6 Conclusion

- A well-prepared presentation creates a good impression and will attract potential investors. ✓✓
- A good presentation promotes the image of the business/owner/ management. ✓✓
- Being professional during a presentation/feedback/questions session should contribute to the success of the presentation. ✓✓
- All methods of presentation must be effectively used to retain the attention of the audience. ✓✓
- Any other relevant conclusion related to presentation.

Max. (2)

QUESTION 5: BREAKDOWN OF MARK ALLOCATION		
DETAILS	MAXIMUM	TOTAL
Introduction	2	Max. 32
Types of visual aids	8	
Factors to consider when composing a flyer	14	
Steps in report writing	12	
Ways to respond to questions	12	
Conclusion	2	
INSIGHT	8	
Layout	2	
Analysis, interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS	40	
*LASO –	For each component:	
Allocate 2 marks if all requirements are met.		
Allocate 1 mark if only some of the requirements are met.		
Allocate 0 marks where requirements are not met at all.		

QUESTION 6

6.1 Introduction

- Solving problems requires businesses to apply creative and critical thinking skills. ✓
- Businesses have to solve many problems as they confront the challenges of dynamic and complex business environments. ✓
- Businesses could use creative thinking techniques to solve business problems. ✓
- Creative thinking is the thought process that leads to original/novel/new ideas. ✓
- Businesses need to find ways to break away from routine thinking. ✓
- Any other relevant introduction related to problem solving and creative thinking.

(2 x 1) (2)

6.2 Meaning of problem solving

Problem solving

- Problems can be solved by a group/ team ✓ or an individual team member. ✓
- Alternative solutions are generated/ identified ✓ and critically evaluated. ✓
- Process of analysing a situation ✓ to identify strategies to bring about change. ✓
- Any other relevant answer related to the meaning of problem-solving.

Max. (6)

6.3 Differences between routine thinking and creative thinking

ROUTINE THINKING	CREATIVE THINKING
<ul style="list-style-type: none">- Regular, ordinary, ✓ conventional thinking. ✓- Does not lead to new ideas ✓ or new patterns of thought, only imitates or perpetuates ✓ old patterns of thinking ✓ and leads to conclusions that have already been reached. ✓- Any other relevant answer related to routine thinking.	<ul style="list-style-type: none">- The process used to come up ✓ with new/fresh ideas. ✓- Using lateral thinking ✓ solves problems through reasoning ✓ to find solutions ✓ that are not immediately obvious/unusual solution. ✓- Any other relevant answer related to creative thinking.
Submax. (4)	Sub max. (4)

NOTE: 1. The answer does not have to be in tabular format, but the distinction must be clear.

2. Allocate a maximum of FOUR (4) marks if distinction is not clear./Mark either routine thinking or creative thinking.

Max. (8)

6.4 Advantages/Benefits of creative thinking

- Better/Unique/Unconventional ideas/solutions ✓ are generated. ✓
- May give the business a competitive advantage ✓ if unusual/unique solutions/ideas/strategies are implemented. ✓
- Complex business problems ✓ may be solved. ✓
- Productivity increases ✓ as management/employees may quickly generate multiple ideas which utilises time and money more effectively. ✓
- Managers/Employees have more confidence ✓ as they can live up to their full potential. ✓
- Managers will be better leaders ✓ as they will be able to handle/manage change(s) positively and creatively. ✓
- Managers/Employees can develop a completely new outlook, ✓ which may be applied to any task(s) they may do. ✓
- Leads to more positive attitudes ✓ as managers/employees feel that they have contributed towards problem solving. ✓

- Improves motivation ✓ amongst staff members. ✓
- Managers/Employees have a feeling of great accomplishment ✓ and they will not resist/obstruct the process once they solved a problem/contributed towards the success of the business. ✓
- Management/employees may keep up ✓ with fast changing technology. ✓
- Stimulates initiative from employees/managers, ✓ as they are continuously pushed out of their comfort zone. ✓
- Creativity may lead to new inventions ✓ which could improve the general standard of living. ✓
- Any other relevant answer related to the advantages/benefits of creative thinking.

Max. (16)

6.5 Application of Force-field analysis

- Describe the current situation and the desired situation. ✓✓
- Write a plan/proposal for change in the middle. ✓✓
- List all the forces driving (positive) and resisting (negative) change. ✓✓
- List all forces in support of the change in one column. ✓✓
- Assign a score for each, from 1 (weak) to 5 (strong). ✓✓
- Determine if change is viable. If not, check which resisting forces can be influenced/mitigated/avoided to make the change possible. ✓✓
- If so, find ways to increase the forces for change and diminish the forces against change. ✓✓
- Based on this outcome, come up with a strategy to help reduce the resisting forces and ensure that the changes can be done. ✓✓
- Any other relevant answer related to the application of the Force-field analysis technique by businesses.

NOTE: Do not allocate marks for advantages and disadvantages as the question focuses on the process/application of the technique.

Submax. (16)

Max. (20)

6.6 Conclusion

- Constant changes in the market impact on business operations and so they need to adapt to them quickly and make quick/creative decisions. ✓✓
- Creative thinking can help to solve business problems successfully. ✓✓
- Businesses must know how to deal with problems that arise. ✓✓
- Any other relevant conclusion related to problem solving and creative thinking.

Max. (2)

QUESTION 6: BREAKDOWN OF MARK ALLOCATION		
DETAILS	MAXIMUM	TOTAL
Introduction	2	Max. 32
Problem solving	6	
Differences between routine thinking and creative thinking	8	
Advantages of creative thinking	16	
Application of creative thinking techniques	16	
Conclusion	2	
INSIGHT	8	
Layout	2	
Analysis, interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS	40	

*LASO -

For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if only some of the requirements are met.

Allocate 0 marks where requirements are not met at all.

[40]

SUBTOTAL SECTION C: 40 MARKS

GRAND TOTAL: 150 MARKS